

## 6. Rural Development: Creating Opportunity for Rural Americans

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Helping the people of rural America develop sustainable communities and improve their quality of life is the goal of USDA's Rural Development mission area. USDA believes rural Americans have a right to the same quality of life as is enjoyed by people who live in suburban and urban areas.

USDA Rural Development is working to eliminate substandard housing from rural America by helping rural people buy, build, repair, or rent decent housing. It also creates jobs by providing funding and technical assistance to support the growth and creation of rural businesses and cooperatives. In a typical year, Rural Development programs create or preserve more than 150,000 rural jobs, enable 60,000 to 70,000 rural Americans to buy homes, and help over 450,000 low-income rural people rent apartments or other housing.

Other Rural Development programs help rural communities build or improve community facilities, such as schools, health clinics and fire stations. Rural Development also has programs that help rural communities build or extend utilities, including water, electricity, and telecommunications services.

Program assistance is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research and educational materials. To accomplish its mission, USDA Rural Development often works in partnership with State, local, and tribal governments, as well as rural businesses, cooperatives, and nonprofit agencies.

USDA Rural Development programs are delivered through its three agencies: Rural Utilities Service (RUS), Rural Housing Service (RHS), and Rural Business-Cooperative Service (RBS). RUS addresses rural America's need for basic services such as clean running water, sewers and waste disposal, electricity, and telecommunications. RHS addresses rural America's need for single-family and multi-family housing as well as health facilities, fire and police stations, and other community facilities. RBS provides help to rural areas that need to develop new job opportunities, allowing businesses and cooperatives to remain viable in a changing economy. The Office of Community Development, a branch of Rural Development, is working with these three agencies to improve the economy and living conditions in the Nation's rural Empowerment Zones and Enterprise Communities.

In addition, the Federal Government is seeking to form partnerships with other entities—such as State, local, and tribal governments; private and nonprofit organizations; and member-owned cooperatives—to revitalize rural areas. Rural Development programs are provided across the Nation through 47 State offices and 800 field offices.

## ■ How Rural Development Works

The following examples illustrate how USDA Rural Development is working to serve rural citizens and bolster the quality of life in rural communities:

- Earth Day, April 22, 1999. Secretary of Agriculture Dan Glickman announced investments of over \$150 million of USDA funds to improve 82 water systems in 44 States and Puerto Rico. **USDA Rural Development Water and Wastewater Program** funds were leveraged with funds from other sources in excess of \$50 million for an effort totaling over \$200 million.

As part of this national initiative, in Lapel, IN, Rural Development made a \$2.76 million low-interest loan to make major wastewater system improvements. The check was presented at an Earth Day celebration at the local elementary school. Upon receipt of the check, the 500 school kids sang “Happy Birthday to You Dear Earth,” and “We Have the Whole World in our Hands.”

The Rural Development funds are making infrastructure improvements in two phases. In the first phase, existing sewer lines will be rehabilitated, new lines will be built, and some existing sewer lines will be converted to storm water lines. This will eliminate the leakage of ground water into the sewer system that overwhelms the treatment plant. Nearly 800 users in Lapel will benefit by this community project. The day’s events were organized around the theme of “Get the Eek Out of Stoney Creek,” referring to the fact that there have been health concerns due to the high bacteria levels measured in nearby Stoney Creek.

Since 1940, USDA programs have loaned over \$15 billion for safe drinking water and sanitary sewer systems in rural America. The loan program boasts a loan payback rate of 99.9 percent.

- Rural Development presented a \$75,000 check to the directors of the Irondale Citizens Fire Group, Inc., in Missouri. This **Community Facilities Program** funding presented a loan to the not-for-profit corporation in the amount of \$55,000 and a grant of \$20,000.

The loan funds were used to purchase a pumper tanker truck and the grant funds will be used to upgrade and replace fire fighting equipment for the firefighters of the Irondale Fire Protection District. Outdated communication equipment will also be replaced with state-of-the-art equipment.

When the fire district was formed in 1996, its directors immediately began working to improve the fire fighting equipment, hoping to reduce the district’s fire insurance rates. The ultimate goal is to improve the effectiveness of the fire district and provide quality fire protection for citizens.

- The loss of businesses has forced many local communities to diversify their economies and encourage existing small businesses to expand and create new employment opportunities. In Ironwood, MI, a community of approximately 7,500 residents, Extreme Tool and Engineering, Inc., is an example of a company that has greatly benefited from **USDA’s Rural Development Business and Industry Guarantee Loan Program**. Global Tool and Engineering,

Inc., Extreme Tool's predecessor, was on the brink of closing its Ironwood operations.

For its employees, the loss of employment would force the skilled workers to relocate in order to support their families. Knowing they had the expertise and ability to be competitive in the world marketplace, four of its employees purchased the facility from the parent company and created Extreme Tool and Engineering, Inc. Since purchasing the company, they have been able to diversify and expand their customer base and product line. With the assistance of their lender and USDA Rural Development, they have successfully established themselves in a competitive market and saved jobs, as well as added new jobs, in an area desperately in need of them.

The following overviews describe the three Rural Development agencies and their main programs.

## ■ Rural Business-Cooperative Service

Creation of viable new and improved businesses and cooperatives in rural America is the top priority of the Rural Business-Cooperative Service (RBS). This agency works through partnerships with public and private community-based organizations to provide financial assistance, business planning, and technical assistance to rural businesses. It also conducts research into rural economic issues, including rural cooperatives, and provides educational material to the public.

**Business and Industry (B&I) Loan Guarantees** help to finance rural business and industry projects that create employment opportunities and improve the economic and environmental climate in rural communities, including pollution abatement and control. Loan guarantees are made for projects that foster sustained community benefits and open private credit markets. Priority for B&I loan guarantees is given to applications for loans from rural areas or cities of 25,000 or less, with loans limited to areas that are not located within the outer boundary of a city having a population of 50,000 or more and the immediately adjacent urbanized area. Loans are limited to \$25 million for any one borrower.

Under the B&I Guaranteed Loan Program, the **Cooperative Stock Purchase Authority** provides financial assistance for the purchase of startup cooperative stock for family-sized farms where the commodities are produced to be processed by the cooperative.

**Direct Business and Industry (B&I) Loans** are made to public, private, and cooperative organizations, Indian tribes or tribal groups, corporate entities, or individuals to finance businesses within economically deprived communities. The program provides economic stimulus which helps rural areas in greatest need.

**Intermediary Relending Program Loans** finance business facilities and community development projects in rural areas, including cities of less than 25,000. Loans to intermediaries support the establishment of new business facilities and community development projects in rural areas.

**Rural Economic Development Loans and Grants** promote rural economic development and job creation projects, including feasibility studies, startup costs, and other reasonable project expenses. The maximum amount of a grant is \$330,000 while the maximum amount of a loan is \$450,000. Loans have a maximum term of 10 years and are repaid without interest. These loans and grants are available to existing RUS electric and telecommunications borrowers.

**Rural Business Enterprise Grants** help public bodies, nonprofit corporations, and federally recognized Indian tribal groups finance and develop small and emerging private business enterprises located in rural areas. Grants may be used to acquire and develop land and to construct buildings, plants, equipment, access streets and roads, parking areas, and utility and service extensions. In addition, funds may be used for refinancing, fees for professional services, technical assistance, startup costs and working capital, financial assistance to a third party, production of television programs targeted to rural residents, and rural distance-learning networks.

**Rural Cooperative Development Grants** finance the establishment and operation of centers for cooperative development. The program enhances the economy of rural areas by developing new cooperatives and fostering improved operations for existing co-ops.

The **Appropriate Technology Transfer for Rural Areas** program provides information to farmers and other rural users on a variety of sustainable agricultural practices, including crop and livestock operations. It helps agriculture by giving reliable, practical information on production techniques and practices that reduce costs and that are friendly to the environment.

The **National Sheep Industry Improvement Center** promotes strategic development activities to strengthen and enhance production and marketing of sheep, goats, and their products in the United States. The center, which has a board of directors to oversee its activities, operates a revolving fund for loans and grants.

The **Research on Rural Cooperative Opportunities and Problems** program provides funding for cooperative research agreements with universities, State agencies, and nonprofit associations. Information and research findings from these projects are published by the institution or by USDA Rural Development.

**Cooperative Services** helps improve the performance of the Nation's cooperatives and promotes understanding and use of the cooperative form of business. By working together for their mutual benefit in cooperatives, rural residents are often able to reduce costs for production supplies and consumer goods, obtain services that might otherwise be unavailable, and achieve greater returns for their products. Cooperative Services accomplishes its mission by (1) responding to requests for technical assistance from rural residents who want to organize a cooperative or improve operations of an existing cooperative; (2) providing information and educational materials relating to cooperatives; (3) conducting research on cooperative financial, structural, managerial, policy, member governance, legal, and social issues; and (4) collecting and disseminating statistics to support research and technical assistance work.

**Rural Business Opportunity Grants** can be made to provide technical assistance training and planning for business and economic development in rural areas.

## Cooperative Solutions for Rural Challenges

USDA has a long history of promoting cooperatives—businesses that are owned and controlled by the people who use them. Co-ops help rural people maintain control of local resources and improve their standard of living. In the United States, there are an estimated 40,000 cooperatives that do everything from helping farmers market and process their crops to providing electricity and credit services.

Cooperatives are organized by people who want to: (a) improve their bargaining power, (b) reduce their costs for goods or services, (c) obtain products or services otherwise unavailable to them, (d) expand their marketing opportunities, (e) improve their product service or quality, or (f) increase their income.

For 65 years, USDA has been providing ideas and leadership to the cooperative community through its prize-winning magazine, “Rural Cooperatives,” published bimonthly. Each issue carries news, features, and columns that report on issues impacting cooperatives and highlighting successful co-op practices. USDA Rural Development also provides the public with more than 100 publications and videos about cooperatives—ranging from “How to Start a Cooperative” to “Tax Treatment for Cooperatives.” To order a free publication and video catalog or to request a magazine subscription order form, call (202) 720-8381.

## ■ Rural Housing Service

**D**ecent, safe, sanitary, affordable housing and essential community facilities are indispensable to vibrant rural communities. USDA’s Rural Housing Service (RHS) has the responsibility to make these essential elements available to rural Americans. RHS programs help finance new or improved housing for more than 60,000 moderate- or low-income families each year. These programs also help rural communities finance construction, enlargement, or improvement of fire stations, libraries, hospitals, medical clinics, day care centers, industrial parks, and other essential community facilities.

**Home Ownership Loans** provide assistance to low-income households in rural communities, helping them to purchase, construct, repair, or relocate a home. Borrowers are offered 33-year direct loans at fixed interest rates with annual subsidy to bring the effective interest rate to as low as 1 percent, depending on the family’s adjusted income. Moderate-income rural residents can be assisted with loan guarantees offered through private lenders at terms up to 30 years. The loans, both direct and guaranteed, can cover up to 100 percent of market value or acquisition cost, whichever is less.

**Home Improvement and Repair Loans and Grants** enable very low-income rural homeowners to remove health and safety hazards from their homes and to make homes accessible for people with disabilities. Loans have a maximum interest rate of 1 percent. Grants are available for people age 62 and older who cannot afford to repay a loan. A combination of funds from a loan and grant can be used by eligible elderly residents. Housing preservation grants are made to nonprofit groups and government agencies to finance rehabilitation of rental units for low-income residents.

**Rural Rental Housing Loans** finance construction of rental and cooperative housing for low-income individuals and families, including elderly or disabled persons. Loans have a maximum term of 30 years, can equal up to 100 percent of the appraised value or development cost, whichever is less, and can be used to construct new housing or to purchase or rehabilitate existing structures. In addition to the direct lending program, USDA offers loan guarantees to extend the reach of Federal resources to some lower income working families and elderly individuals.

Rental Assistance payments subsidize rent costs to ensure that low-income tenants will pay no more than 30 percent of their income for rent.

Community Facilities Loans, Loan Guarantees, and Grants finance the construction, enlargement, extension, or other improvements for community facilities providing essential services in rural areas and towns with a population of 50,000 or less. Funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and nonprofit corporations.

### Housing for Farm Workers

Farm workers are among the most poorly housed and lowest paid workers in the United States. RHS provides housing for migrant and farm laborers through several programs. The Farm Labor Housing program provides loans to public or nonprofit agencies or to farmers to enable them to build farm labor housing. In States such as California, many farm laborers are able to build their own homes through our Mutual Self-Help Housing Program.

### Outreach to Native Americans

The Rural Housing Service is reaching out to better inform Native Americans of our programs and working to overcome barriers to lending on tribal land. In FY 1999, Single Family Housing direct loans and grants worth \$13 million were made to buy or to repair homes for Native Americans, including \$1.9 million, to build approximately 31 single family houses on tribal lands. An additional \$44.2 million guaranteed another 390 housing loans made to Native Americans by private sector lenders. Loans and grants made through the Housing Repair program totaled over \$2 million and repaired 365 dwellings.

In FY 1998, the Community Facilities program made 16 loans and grants to federally recognized Indian tribes, for a total of \$5.2 million. These ranged from a \$29,000 grant to the Band of Nor-El-Muk in California for a city hall to a \$1.5 million loan guarantee to the Chitimacha Tribe in Louisiana for building an assisted-living complex. Six other loans and grants for almost \$10 million were made for facilities that primarily will serve Native Americans.

In 6 States, we used \$10.4 million of Multi-Family Housing funds in FY 1998 to build 9 rental housing complexes containing 197 apartments on Native American reservations or in communities where most tenants will be Native Americans. Over \$900,000 in housing preservation grants was provided to nonprofits or tribes in 9 States for repair of 170 deteriorating single- or multi-family units that house low-income Native American families.

## Expanding the Reach of Federal Resources

### **Building Partnerships**

Partnerships with the private and nonprofit sectors form the foundation of several RHS programs. For example, our private, nonprofit partners operate USDA-funded multi-family housing complexes, looking after the needs of the tenants and maintaining the properties. Partners deliver USDA Community Facilities, Multi-Family and Single Family Guaranteed Loan programs. They provide funds to leverage our loans and help us serve more people. They provide valuable services, such as loan packaging and homebuyer education and outreach. As Federal human and monetary resources shrink, these partnerships will become even more crucial to our daily operations. Therefore, we are actively reaching out to organizations whose goals and missions complement ours. This section describes a number of different types of partnerships found in our programs, from homeownership to child care, and multi-family housing managers to leveraging.

### **Guaranteed Loan Programs**

Some of our most important partnerships are created through our loan guarantees. RHS has loan guarantee programs in the Single Family, Rural Rental Housing, and Community Facilities programs. This type of loan is a collaboration with local lenders by which the lender funds the loan and RHS issues a guarantee for up to 90 percent of the amount of the loan. With the assurance of RHS behind them to protect them in case of default, banks are more confident and willing to extend eligibility to a wider range of customers. For example, a prospective homeowner unable to afford a downpayment could still buy a home because he or she could borrow the full amount using a lender backed by a USDA guarantee.

### **President's National Partnership in Homeownership**

The National Partnership in Homeownership is a Presidential initiative which sets up a partnership between government and the private sector to address homeownership issues at the local level. The partners work to enhance the relationship between Federal, State, and local government and the private sector and to expand homeownership opportunities.

### **The Rural Home Loan Partnership**

The Rural Home Loan Partnership, begun in 1996 under the President's National Partnership for Homeownership initiative, saw great success in 1998 as the homeownership rate reached an all-time high of over 66 percent nationally and 75.1 percent in rural areas. The Partnership, which expanded in 1998, now includes Rural Local Initiatives Support Corporation (Rural LISC), the Federal Home Loan Bank System, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation (FDIC) and the Office of the Comptroller of the Currency (OCC), as well as USDA Rural Housing Service.

The partnership delivers a new single-family mortgage product which enables families earning 80 percent of area median income or below to achieve homeownership. RHS provides a subsidized mortgage to cover part of the cost of a house, while

a local bank finances the remainder. Private, nonprofit community development corporations identify and counsel eligible borrowers. RHS' partnership with community development corporations helps direct resources to needy areas, provides technical assistance, and builds partnerships for other Rural Development initiatives. In 1998, the Rural Home Loan Partnership made home loans worth \$19.8 million (\$13 million from RHS and \$6.8 million from the other partners) to help 284 families become successful homeowners.

### **Community Development Financial Institution Partnership**

The Community Development Financial Institution Partnership was created in 1998 between RHS and various community development financial institutions (CDFI's) throughout the country. The purpose of the partnership is to provide homeownership opportunities to low-income applicants by combining the resources of RHS and CDFI's.

CDFI's are specialized private institutions that serve populations whom traditional financial institutions are not serving. They provide a wide range of financial products and services to under-served communities. Some of these services include mortgage financing for first-time homebuyers and basic financial services needed by low-income households. RHS and the CDFI's have a common goal of working to build stronger communities through creating healthy local economies, restoring communities, generating local tax revenues, and empowering residents by increasing homeownership. In most cases, other partners are included in the partnerships to provide homeownership counseling and sometimes additional sources of leveraged funds.

In 1998, through this partnership, the Rural Housing Service funded 50 loans with \$2.5 million in 10 local partnerships. The CDFI's and other funding sources provided over \$1 million to leverage with the RHS funds. Over 65 percent of the families served had incomes of 50 percent or less of the median income for the area.

### **Centralized Service Center Improves Operations**

In October 1996, a Centralized Service Center (CSC) in St. Louis, MO, opened to provide automated loan servicing to RHS single-family housing borrowers. This effort exemplifies the reinvention of Government, intended to make Government services work better and cost less. The service greatly expands services to borrowers while substantially reducing the staff needed to operate the program nationally.

In its first year of full operation, CSC refined its mortgage servicing system to increase the speed and accuracy of information about borrower accounts. Payments are posted on the day they are received, unless legal action is pending. During FY 1998, CSC automated much of its pay-off functions. Pay-off quotations are now provided within 2 business days, instead of the 10 days it previously took to provide data.

The staff at the CSC have received specialized training to serve customers more effectively. About 60 CSC staff members are fluent in Spanish so that they can assist the 14 percent of the RHS borrowers who speak Spanish. The CSC's monthly statements, major letters, and telephone service are provided in both English and Spanish. A program specialist fluent in Navajo is available to service the accounts of members



of the Navajo nation. CSC is maintaining an ongoing effort to provide additional services to customers and keep them as successful homeowners. During FY 1998, the Servicing Partnership Team was implemented to provide customers with additional contact opportunities from Rural Development field offices.

## ■ Rural Utilities Service

USDA Rural Utilities Service (RUS) programs touch the lives of tens of millions of rural Americans daily. Through project financing and technical assistance, RUS builds infrastructure to provide rural businesses and households with modern telecommunications, electricity, and water. Today, this also means bringing the “information superhighway” to rural America.

The **Water 2000 Initiative** is an ambitious undertaking to extend safe, dependable drinking water to rural communities. At least 2.2 million rural Americans live with critical quality and accessibility problems with their drinking water, including an estimated 730,000 people who have no running water in their homes. Since it started in 1994, Water 2000 has already improved drinking water quality or provided a public water supply for the first time to some 2.5 million people in more than 1,300 rural communities nationwide.

RUS is a partner with rural business and economic development efforts, providing infrastructure that is the foundation for competitiveness. It is a technical and financial resource in a time of change for rural utilities.

**Rural Telecommunications Loans and Loan Guarantees** build modern rural communications systems that provide rural areas with “on ramps” to the information superhighway by making financing available for telecommunications facilities. Loans made to rural telephone cooperatives and companies help bring reliable and affordable telecommunications services to more than 15 million rural Americans.

**Rural Electric Loans and Loan Guarantees** provide reliable, safe, and affordable electricity to rural America by financing power distribution, generation, and transmission systems. Loans are made to nonprofit and cooperative associations, public bodies, and other utilities which serve more than 25 million rural Americans.

**Distance Learning and Medical Link Loans and Grants** bring distance learning and telemedicine to rural America. Education and adequate medical care are crucial to the survival of rural communities, but are becoming increasingly difficult to provide to rural communities. This program employs innovative ways to use existing telecommunications infrastructure to extend the reach of educational and medical expertise into communities without that expertise. The new loan program is being developed to further expand rural telecommunications infrastructure.

**Water and Waste Disposal Loans and Grants** develop water and waste disposal systems (including solid waste disposal and storm drainage) in rural areas and towns with populations of less than 10,000. The funds are available to public entities such as municipalities, counties, special-purpose districts, Indian tribes, and nonprofit corporations. RUS also guarantees water and waste disposal loans made by banks and other eligible lenders.

**Emergency Community Water Assistance Grants** help rural communities that have experienced a significant decline in drinking water quantity or quality to make emergency repairs and replace existing facilities. Grants can be made in rural areas and towns with a population of 10,000 or less and a median household income of no more than 100 percent of the State's median nonmetropolitan household income.

## ■ Office of Community Development

**U**SDA Rural Development's Office of Community Development administers the Empowerment Initiative, a Presidential initiative designed to provide economically depressed rural areas and communities with real opportunities for growth and revitalization. Its mission: to create self-sustaining, long-term economic development in areas of pervasive poverty, unemployment, and general distress, and to demonstrate how distressed communities can achieve self-sufficiency through innovative and comprehensive strategic plans developed and implemented by alliances among private, public, and nonprofit entities.

In the first selection round, announced in December 1994, three rural Empowerment Zones (EZ) and 30 rural Enterprise Communities (EC) were designated by President Clinton and Vice President Gore. Each EZ is receiving \$40 million and each EC \$2.97 million in a Federal grant. This one-time, 10-year grant is in addition to funding benefits and tax incentives. In the second round, announced in December 1998, Clinton and Gore designated an additional 5 rural Empowerment Zones and 20 rural Enterprise Communities. Each of these EZ's receives \$2 million and each EC \$250,000 in an initial Federal grant. Additional funding benefits and tax incentives are also available to Round II communities. Further, designated communities qualify for earmarks of program funds from Rural Development agencies.

## Community Empowerment

There are no written guidelines or formula to give to communities regarding community empowerment. Community empowerment is a flexible evolving process that is different for each community. It includes a number of tangible and intangible benefits that will enable a community to achieve its goals. The basic elements of community empowerment include:

- Learning to use its own initiative to secure resources from many sources (Federal, State, local, corporate, foundations, etc.) to implement its strategic plan.
- Using citizen participation on the board and in program administration to improve, through experience, the community's ability to manage its programs and monitor the programs of its subgrantees.
- Developing within communities an alliance of community leaders that will obtain the capacity to plan, organize, manage, and implement its strategic plan to generate sustainable community and economic revitalization.
- For sustained economic and community development, focusing on the interrelationships between community needs and a variety of connected programs rather than on narrow single-purpose programs; i.e., business development,

job training, public education, housing, transportation, day care, shopping center, roads, water and sewer, etc. Through this process, local leadership skills are increased and the community's capacity to help itself. This is empowerment. Once this is learned, it cannot be taken away.

- Regional partnerships that bring representatives from several communities to discuss issues and work collectively to identify opportunities and strategies to resolve challenges that face their region as a whole.
- Educational initiatives that provide job training for family wage jobs, computer skills training, and youth development initiatives to prepare young people for the working world.
- Enabling all segments of society to have a voice when it comes to mapping out a path for community empowerment and providing mechanisms for those who previously fell outside of the system to become involved and play a part in securing a better future for them and their families.
- Learning, through information sharing communities, the "best practices" for instituting economic and community development programs and projects.

### **Champion Communities**

More than 180 rural communities organized and completed the valuable strategic planning process as part of their application for Round I of the Initiative. To assure that their important work produced continuing benefits to these communities, USDA designated them as "Champion Communities" and provided continuing assistance to them. During Round II, 160 communities submitted applications; 15 of the 25 designated communities were Champion Communities from Round I. Communities that submitted applications for the first time in Round II are now eligible for Champion status.

### **National Centers of Excellence: College/University Partnership Project**

Local capacity building toward economic sustainability is being enhanced through a 2-year partnership among four rural colleges and USDA. The five colleges and universities assist EZ/EC communities with strategic plan implementation through training programs and other sources of expertise.

### **National Centers of Excellence: Tribal College Partnership**

A related initiative helps tribal communities develop empowerment programs through the technical assistance of tribal colleges. With assistance from USDA, the colleges are developing programs of training and community service to address the critical needs of the communities they serve. The initiative responds to President Clinton's Executive Order 13021, which asked Federal departments and agencies to integrate American Indian tribal colleges into their programs.

### **Rural Economic Area Partnership (REAP) Zones**

Rural areas in the Northern Great Plains face unique challenges due to their isolation, low-density populations, and changing economic base. Rather than high poverty, these areas are challenged by declining populations, slowing economic activity, and growing difficulty in providing public services. To counter these troubling trends, two REAP Zones were established in multi-county areas of **North Dakota**.

## Round I Empowerment Zones

Kentucky Highlands—KY  
Mid-Delta—MS  
Rio Grande Valley—TX

## Round I Enterprise Communities

Chambers County—AL  
Greene & Sumter Counties Rural—AL  
East Central Arkansas—AR  
Mississippi County—AR  
Arizona Border Region—AZ  
Imperial County—CA  
City of Watsonville—CA  
Jackson County, Florida—FL  
Crisp/Dooley—GA  
Central Savannah River Area—GA  
Northeast Louisiana Delta—LA  
Macon Ridge—LA  
Lake County—MI  
City of East Prairie—MO  
North Delta Mississippi—MS  
Halifax/Edgecombe/Wilson—NC  
Robeson County—NC  
La Jicarita—NM  
Greater Portsmouth—OH  
Southeast Oklahoma—OK  
Josephine County—OR  
City of Lock Haven Federal—PA  
Williamsburg-Lake City—SC  
Beadle/Spink/South Dakota—SD  
Fayette County/Haywood County—TN  
Scott/McCreary Area—TN  
Accomack-Norhampton, Virginia—VA  
Lower Yakima County Rural—WA  
Central Appalachia—WV  
McDowell County—WV

## Round II Empowerment Zones

Desert Communities—CA  
Southwest Georgia United—GA  
Southernmost Illinois Delta—IL  
Lake Agassiz—ND  
Oglala Sioux Tribe—SD

## Round II Enterprise Communities

Metlakatla Indian—AK  
Four Corners—AZ  
Cities of Orange Cove, Huron, Parlier, Tule Tribe—CA  
Empowerment Alliance of Southwest Florida—FL  
Molokai—HI  
Town of Austin—IN  
Wichita County—KS  
Bowling Green—KY  
City of Lewiston—ME  
Clare County—MI  
Fort Peck Assiniboine and Sioux Tribe—MT  
City of Deming—NM  
Tri County Nations—OK  
Fay-Penn—PA  
Allendale ALIVE—SC  
Clinch-Powell—TN  
Middle Rio Grande—TX  
Tri-County Rural—WA  
Northwoods Nijii—WI

Rural areas in the southern tier of **New York** face unique challenges due to their isolation, low-density populations, and changing economic base. Rather than high poverty, these areas are challenged by declining populations, job loss, slowing economic activity, and growing difficulty in providing public services. To counter these troubling trends, two REAP Zones were established in multi-county areas of New York.

### Southwest Border Regional Partnership

In response to Vice President Gore's challenge that EZ/EC adopt regional approaches to planning and problem-solving, Empowerment Zones, Enterprise Communities, and Champion Communities from the southwest border region formed the Southwest Border Region Partnership.

### Delta Regional Initiative

The Mississippi Delta also has a similar regional initiative to eliminate poverty and economic distress in the counties of the lower Mississippi Delta. Seven Delta States were involved in a Lower Mississippi Delta Development Commission study of poverty that began in 1989. The Delta Regional Initiative joins the Southern EZ/EC forum, The Lower Mississippi Delta Development Center (formerly Commission), The Foundation for the Mid-South, and The Enterprise Cooperation of the Delta in a Partnership Agreement to develop a long-range strategic plan and implement the recommendations from the Lower Mississippi Delta Development Commission's Report—"The Delta Initiative." The Delta Regional Initiative includes both urban and rural EZ and EC from 219 counties in 7 States.

Selected Accomplishments by Rural Empowerment Zones and Enterprise Communities (EZ/EC) as of January 2000	
New businesses attracted to Rural Empowerment Zones and Enterprise Communities	249
Businesses served through Intermediary Relending Programs/Revolving Loans/Micro Loans	438
Businesses served through business development and job training initiatives	1,299
Businesses started through incubators and entrepreneurial initiatives	167
Clients placed in jobs through career planning and job placement programs	1,861
Clients served through business development and job training initiatives	11,881
Jobs created or saved	10,892
New loan funds established for business development and job training	66
Loans provided for business development and job training	516
New electric, gas, and water/drainage hookups	513
New or improved water/drainage system	48
New/upgraded computers provided	588
Number of new staff members hired to work in EZ/EC Communities	118
Number of staff trained in EZ/EC Communities	1,682
Number of new houses constructed and houses rehabilitated	2,112
Number of new health care professionals hired and health care providers trained	63

## For More Information:

### **Rural Development Acting Director, Legislative & Public Affairs**

Gladys Rodriguez  
Rm 5039-S  
Washington, DC 20250  
202-720-1019  
FAX 202-690- 4083  
gladys.rodriguez@usda.gov

### **Deputy Public Affairs Director**

Dan Campbell  
Rm 5040-S  
Washington, DC 20250  
202-720-6483  
FAX 202-690-4083  
dan.campbell@usda.gov

### **Deputy Legislative Director**

Brenda Morton  
Rm 2123-S  
Washington, DC 20250  
202-720-2367  
FAX 202-690-0311  
bmorton@rurdev.usda.gov

### **Acting Deputy Director**

Correspondence Branch  
Martha Harvin  
Rm 5007-S  
Washington, DC 20250  
202-720-8472  
FAX 202-720- 1161  
mharvin@rdmail.rural.usda.gov

### **Freedom of Info Act Officer**

Dorothy Hinden  
Rm 0361-S  
Washington, DC 20250  
202-690-0031  
FAX 202-692-0034  
dhinden@rdmail.rural.usda.gov